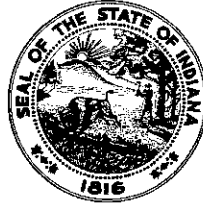


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: All Towns, Cities, and Counties

FROM: Micah G. Vincent, Commissioner *MGV*

RE: Emergency 911 & Public Safety Access Point ("PSAP") Funding

DATE: March 25, 2013

Introduction

Indiana Code 36-1-7-16 governs situations whereby a political subdivision enters into an agreement with one or more other political subdivisions to transfer, combine, or share powers, duties, functions, or resources; and the political subdivision realizes a savings or reduction in related expenses; and the Department of Local Government Finance ("Department") decreases the maximum levy, tax rates, or budget of the political subdivision to eliminate double taxation by different political subdivisions for services or to eliminate any excess by which the amount of property taxes imposed by the political subdivision exceeds the amount necessary to pay for services.

Under 36-1-7-16(b), the Department must establish criteria for making an adjustment to the maximum levy, tax rates, and budget of a political subdivision entering into an agreement as described above. This adjustment must permit the political subdivision to continue to include in its budget and levy part of the amounts that would otherwise be reduced by the Department on account of the realized savings or reduction in expenses.

Under IC 36-1-7-16(d), the additional amount that a political subdivision may continue to levy or include in its budget may not exceed the result of:

- (1) the savings or reduction in expenses realized in the first full year of operation after the transfer, combination, or sharing of powers, duties, functions, or resources is implemented, as determined by the Department; multiplied by
- (2) a percentage determined as follows:
 - (A) 50% in the first year of the adjustment.
 - (B) 50% in the second year of the adjustment.
 - (C) 30% in the third year of the adjustment.
 - (D) 10% in the fourth year of the adjustment and thereafter.

The fiscal body of the political subdivision must determine and certify to the Department the amount of the adjustment that the political subdivision wishes to accept, based on the formula above. The amount of any adjustment accepted by a political subdivision must comply with the

agreement under which the political subdivision transfers, combines, or shares powers, duties, functions, or resources.

Emergency 911 & PSAP Funding

Where two or more political subdivisions enter into an agreement under IC 36-1-7-16 to transfer their respective funds designated for emergency dispatch services to another political subdivision, the Department must adjust the political subdivisions' maximum levies accordingly.

More specifically, if Towns A, B, and C enter into an agreement with County whereby the towns will transfer the funds they would otherwise use for emergency dispatch services to County because County will henceforth be the designated provider of those services, the Department will reduce the maximum levies of the towns by the amount of their transfers, as adjusted by the formula prescribed by IC 36-1-7-16(d). County's maximum levy will be increased by the amount of the transfer.

For example, if in 2013 Town A transfers \$20,000 to County for 2014, the first full year of operation after the transfer, Town A's maximum levy will be *reduced* by \$10,000 for 2014, \$10,000 for 2015, \$14,000 for 2016, and \$18,000 for 2017 and thereafter. If Towns A, B, and C transfer a total of \$45,000 to County, County's maximum levy will be increased by this amount for 2014. County must deposit these funds into an account designated specifically for emergency dispatch services. The towns and County would adjust their proposed budgets for 2014 and subsequent years to reflect these alterations.

The Department acknowledges that in some political subdivisions, the staff member providing dispatch services may also function in other capacities, such as secretary or jail warden. In this situation, the political subdivision must determine how much of its funding designated for this staff member is attributable to the dispatch services he or she provides. In other words, if Town X pays John Doe \$30,000 a year and John provides dispatch, warden, and custodial services to the town, Town X will have to determine how much of the \$30,000 is attributable to dispatch services. If one-third of John's time is spent as a dispatcher, then \$10,000 is the amount Town X spends on dispatch services and will transfer to the appropriate political subdivision.

NOTE: Any political subdivision that in 2013 will make a transfer of funds or will receive a transfer of funds as described above for a consolidation of emergency 911 and/or PSAP services effective 2014 must inform the Department on or before August 2, 2013 of the amount of the transfer and its proposed 2014 maximum levy. This information will facilitate the Department's review of budgets for 2014. Please direct this information, including a copy of the interlocal agreement, to Courtney Schaafsma, Budget Division Director, at cschaafsma@dlgf.in.gov. The political subdivision's revised maximum levy will be stated in its 1782 Notice.